

Microsoft Compliance Audit Audit procedures:

- 1) Chris Heim (ITS) has been directed by the CIO and the Director of ITS to serve as Audit Director.
- 2) The audit tool for the Microsoft Software Compliance Audit engagement will be Audit Wizard. Any agency that feels the Audit Wizard tool will not accomplish the needed results (due to inconsistent hardware platform or other reasons) should send the compelling reason in writing to the Audit Director for review. Although there are other tools that could be utilized for this engagement, we will utilize Audit Wizard to be consistent in procedure and reporting. The tool is inexpensive, reliable, easy to use, and provides useful backend reporting. (Elaine Oaks at ITS will be happy to help any agency order the software.)
- 3) Each agency should load and enable Audit Wizard on their primary login server and run the tool for a minimum of two-weeks, ensuring all users log on to the server at least one time. Audit Wizard will not double the results as users log in and out, therefore, you may run the tool for a longer period of time. The tool will run behind the scenes and will not interrupt or distract any user while the tool is running. You may run the tool for any two week period between now and **April 1, 2002**, but the audit must be completed by then. (ITS will be happy to help any agency with loading procedures.) After the audit tool has been run for at least two weeks, the tool will provide a summary and detail report of all Microsoft inventory (operating systems-Windows, Office products, or other) on hardware at the agency. *****NOTE** It is recommended that agencies remove all planned surplus and other intended discarded machines from their network prior to running Audit Wizard, as this will facilitate the running of the tool, and will unencumber the Audit Wizard reports.***
- 4) Meanwhile, each agency should locate all original hologram Microsoft license documents. Even though many agencies sent *copies* of the hologram license documents to ITS several months ago, Microsoft will only accept original license documents, or an original OEM license (an original license that came as part of a PC purchase, either operating system or office product(s)). Therefore, please do not consider the copies sent to ITS as compliance with this audit. Similarly, all CIA certificates, cancelled checks, PO's, etc., are not considered proof of compliance for this audit. Each agency will still be required to locate and accumulate their original hologram license documents.
- 5) All hologram documents sent directly to the agency (as opposed to hologram documents sent to ITS) were purchased from resellers other than CIA, and should be in the possession of the agency.
- 6) Each agency will populate the enclosed Audit Reconciliation report, with their findings. The sheet asks for counts of Microsoft product found as a result of the Audit Wizard report, and counts of actual hologram or OEM licenses located (either from the agency location or ITS). The report will also require a reconciliation of actual machines audited, vs. total machines per the inventory records of the agency in order to confirm a valid population. The report includes instructions on certain header and total columns/rows for the agency convenience.

The report will automatically calculate any discrepancies between actual Microsoft product incidents found and actual hologram license document located. Each agency will be financially responsible to correct any discrepancies (or remove the software from their hardware) by **June 1, 2002**. The completed Audit Reconciliation report will be due to the Audit Director no later than **April 15, 2002**.

- 7) ***For All agencies who purchased Microsoft Product thru CIA*** : All hologram documents sent to ITS represent those purchases from agencies thru CIA. All agencies that purchased Microsoft product thru CIA will be provided an allocation of hologram Microsoft licenses received from purchases thru CIA. The CIO's office will allocate the licenses using a procedure that is yet to be determined. We will shortly send out a plan for reconciliation. The final determination of the method, and who will pay for any inequities ultimately found between the CIA certificates, and the actual Microsoft Hologram licenses (if any), will be determined after consultation with the affected agencies. The due date for the consideration of the two methods will be noted in the subsequent correspondence. Each agency should include the number of hologram licenses allocated to them from the CIA cert vs. MS hologram license reconciliation provided by ITS, in the Audit Reconciliation report.
- 8) Each agency will be required to file or store original hologram license certificates (other than those acquired from CIA purchases-ITS will store them), and original or copies of OEM licenses, should any of the OEM licenses be physically attached to the hardware. These documents should be stored in a manner suitable for future inspection of the documents, should any party either external or internal to the State, be authorized to view said documents. These documents should be stored in a secure environment for a period of seven (7) years.
- 9) Each agency will be required to sign a document stating that the audit performed principally by agency employees, was conducted in a professional manner, and that should any authorized party, either internal or external to the State, request formal, physical verification of all facts and documents pertaining to the audit, the agency could produce such documents including, actual hologram license documents, and Audit Wizard report findings reconciled to a complete hardware inventory listing. The document will also require four (4) signatures verifying the veracity of the audit findings:
 - a. The agency employee actually in charge of the physical audit.
 - b. The agency IT director responsible for the audit.
 - c. The agency Executive Director.
 - d. The Audit Director

Upon completion of the audit, each agency will be required to send the signature document, along with their Audit Reconciliation report to the Audit Director. At this point, the physical audit for the agency should be considered complete.

- 10) ***For the Department of Human Services, the Attorney Generals office, the Department of Corrections, the Department of Natural Resources, and the Office of the Governor (agencies identified by Microsoft requesting formal reporting of the software compliance audit):*** Upon receipt of the signed document and the Audit Reconciliation report, the Audit Director will send a

letter to Microsoft indicating the findings of the audit, including any discrepancies found, and that the agency will be in touch with the Microsoft representative – Alan Stevens – to remedy any discrepancies. The Audit Director will also include the agency Audit Reconciliation report, and state that the submitted audit report should be considered final as far as the State is concerned, and that the results represent an accurate, verifiable result of an extensive physical audit. Microsoft will then respond to the report with a final resolution of the agency audit.

Other Comments:

You will be required to prove an upgrade path for the *operating system* licenses only. Example: if Audit Wizard indicates you have 20 Windows 2000 operating systems loaded on agency hardware, you will need to show either 1) 20 OEM licenses for Windows 2000 or 2) 20 OEM licenses for a valid Microsoft OS (i.e. Windows NT or Windows 98), and 20 valid upgrade hologram licenses for 20 Windows 2000.

FOR THIS ENGAGEMENT ONLY, due to the amendment to the select agreement, you will NOT be required to prove an upgrade path on the Microsoft *office* products. Subsequent to this engagements and moving forward, agencies will need to be able to provide upgrade paths for Microsoft office products as well. You will NOT be required to go back and prove upgrade paths for *office* products already purchased.

Audit Wizard will report all findings of Microsoft product including those that are free thru download. For those products that are free, and thus did not supply a hologram license (internet explorer for example), you will need to note your findings on the Audit Reconciliation report. For these products, you will not be required to locate a hologram license. Simply noting those instances of free Microsoft product on the report will suffice for this engagement.